In 2008, Hannah decided to add solar panels to her house while making some energy efficient improvements. She spent a total of $4,200 on the panels, which included a $1,000 labor cost. She has the manufacturer's certification statement that the items qualify for the Residential Energy Efficient Property Tax Credit. In addition, the tax amount on line 44 of Hannah's 1040 is $4,500. She is not claiming any other credits on her 1040. Complete Hannah's Form 5695 to calculate the amount of her residential energy efficient property credit.

Calculate the credit.

Without closing the PDF window, return to the lesson screen and click Check My Answer.

Form **5695**	**Residential Energy Efficient Property Credit**	OMB No. 1545-0074
Department of the Treasury Internal Revenue Service	▶ See instructions. ▶ Attach to Form 1040 or Form 1040NR.	**2008** Attachment Sequence No. **158**

Name(s) shown on return	Your social security number

Before you begin: Figure the amount of any District of Columbia first-time homebuyer credit you are claiming.

Note. *Skip lines 1 through 12 if you only have a **credit carryforward from 2007.***

1	Qualified solar electric property costs	**1**		
2	Multiply line 1 by 30% (.30)	**2**		
3	Maximum credit amount	**3**	$2,000	
4	Enter the smaller of line 2 or line 3			**4**
5	Qualified solar water heating property costs	**5**		
6	Multiply line 5 by 30% (.30)	**6**		
7	Maximum credit amount	**7**	$2,000	
8	Enter the smaller of line 6 or line 7			**8**
9	Qualified fuel cell property costs	**9**		
10	Multiply line 9 by 30% (.30)	**10**		
11	Kilowatt capacity of property on line 9 above ▶ _____ X $1,000	**11**		
12	Enter the smaller of line 10 or line 11			**12**
13	Credit carryforward from 2007. Enter the amount, if any, from your 2007 Form 5695, line 34			**13**
14	Add lines 4, 8, 12, and 13			**14**
15	Enter the amount from Form 1040, line 44, or Form 1040NR, line 41	**15**		
16	**1040 filers:** Enter the total, if any, of your credits from Form 1040, lines 47 through 49, plus the amounts, if any, from line 13 of Form 8396, and line 7 of Form 8859. **1040NR filers:** Enter the amount, if any, from Form 1040NR, line 44, plus the amount, if any, from line 13 of Form 8396, and line 7 of Form 8859.	**16**		
17	Enter the amount from Form 6251, line 31	**17**		
18	Add lines 16 and 17	**18**		
19	Subtract line 18 from line 15. If zero or less, enter -0- here and on line 20			**19**
20	**Residential energy efficient property credit.** Enter the smaller of line 14 or line 19 here and on Form 1040, line 53, or Form 1040NR, line 48, and check box b on that line			**20**
21	Credit carryforward to 2009. If line 20 is less than line 14, subtract line 20 from line 14	**21**		

For Paperwork Reduction Act Notice, see instructions.   Cat. No. 13540P   Form **5695** (2008)